

**COMMITTEE ON ACCOUNTS, ENROLLMENT
AND REVENUE ADMINISTRATION**

October 15, 2002

4:30 PM

Chairman Shea called the meeting to order.

The Clerk called the roll.

Present: Aldermen Shea, Guinta, Smith, Thibault and Lopez

Messrs: S. Wickens, K. Buckley, S. Tellier, R. Descoteaux

Chairman Shea addressed Item 3 of the agenda:

Communication from Guy Beloin, Financial Analyst II, submitting the City's Monthly Financial Statements for the three months ended September 30, 2002.

On motion of Alderman Lopez, duly seconded by Alderman Thibault, it was voted to accept the monthly financial statements.

Chairman Shea addressed Item 4 of the agenda:

Communication from Robin Descoteaux, Financial Analyst I, advising that the City's CIP Monthly Financial Statements for the three months ended September 30, 2002 will be forwarded under cover prior to meeting.

Alderman Lopez moved the item for discussion. Alderman Smith duly seconded the motion.

Mr. Sherman noted that Robin was still finalizing the reports and would be presenting them later on in the meeting.

Chairman Shea addressed Item 5 of the agenda:

Communication from Sharon Wickens, Financial Analyst II, submitting reports as follows:

- a) department legend;
- b) open invoice report over 90 days by fund;
- c) open invoice report (all invoices for interdepartmental billings only);

- d) open invoice report (all invoices due from the School Dept. only); and
- e) listing of invoices submitted to City Solicitor for legal determination.

Alderman Lopez moved the item for discussion. Alderman Thibault duly seconded the motion.

Alderman Lopez stated I am interested in the write-off account.

Ms. Wickens stated that is actually Item 6 on the agenda. Do you want to skip to that?

Alderman Lopez replied my mistake. I apologize.

Alderman Thibault moved to accept the various financial reports. Alderman Guinta duly seconded the motion.

Alderman Smith stated I notice in 90 days Manchester West High School custodial contracts and so forth...chess tournaments, West Side High wrestling fees and administrative fees 90 days...what is the situation.

Ms. Wickens asked what page are you on.

Alderman Smith answered page 3.

Ms. Wickens stated those are from the Building Maintenance Department and those are rather old invoices. I think they are still being disputed as to whether the School Department wants to pay them or not and they have not. They skip right over them and they pay more current invoices.

Alderman Smith asked when they have an event why can't they pay in advance. Like the chess tournament I think if somebody is having a tournament they should pay in advance before they utilize their privileges in the facility.

Ms. Wickens answered that would be a good idea but I think they only do that on people they have had a problem with and where this is the school I don't think they make them pay in advance. We haven't had a problem currently. These are pretty old.

Alderman Smith stated the police extra detail, I mean they require police extra detail and they can't pay that in advance. I noticed Dig Right Excavation has quite an active contract.

Ms. Wickens replied right and Dig Right is in the hands of a collection agency right now. I am not sure what the Police policy is. I believe they collect in advance if they begin to have a problem with a particular customer but I don't know that they do that every time. They probably should institute a policy.

Alderman Smith asked if they don't have a police detail there they can't do the excavation from what I understand. It is quite a substantial amount here if you look at all the police detail that hasn't been paid. We are talking \$3,000 or \$4,000.

Ms. Wickens answered I can talk to the Police and find out why they don't...this has been brought up before and they don't collect in advance. I don't think there is anything that says that they have to where they really probably should.

Alderman Smith asked regarding the insurance companies and all of the police accident reports and so forth they request information from the Police Department but yet they don't pay the bill.

Ms. Wickens answered right. I was actually talking with Police the other day and I don't understand why they continue to give out reports when they have a delinquent balance. I realize that this isn't big money – you are talking \$11, \$3, \$5 but I would just not give them a report and tell them they have an outstanding bill. They don't do that. I could certainly ask Police to come to the next meeting to explain what their procedures are on that.

Alderman Smith responded I would appreciate that.

Alderman Thibault stated just to follow-up on Alderman Smith's problem with the West High School custodial contract, why is it that the School cannot give us an idea as to why they are not paying these. You say that some of these are 90 days overdue and they are paying some current bills but not those. Could we get an answer as to why they are not paying those?

Ms. Wickens responded the ones you are looking at for Manchester West, I believe they are 1999 and 2001. Those are the particular items that they dispute. I know Ron Chapman meets every once in awhile with our Finance Officer and he gets an update of what they have outstanding. I can find out why these are still outstanding and what the dispute is but they do have certain invoices that they just don't pay.

Alderman Thibault stated I am quite sure this Committee would like to know why they are not paying those. I agree with Alderman Smith.

Ms. Wickens replied I will find out for the next meeting what their exact dispute is on the older ones.

Alderman Lopez stated on Item 5, the accounts receivables submitted to the City Solicitor, when they come in and say closed like the bottom one, Cold Stone Development, they are closed. Do you automatically write those off or what do you do with them?

Deputy Solicitor Arnold replied once they are sent to collection and have come back as uncollectable and, therefore, closed by the collection agency we take the cases in and we take a look at them to see if there is a legal basis for collecting and second and more importantly what the probabilities are in terms of actually collecting some money before we put a lot of money into it. Cold Stone is one of the ones that is presently being looked at by one of the attorneys in our office. I spoke to her this afternoon but was not able to get an update to bring before this Committee. I believe she has been trying to contact them and has not been successful at this point. I could certainly report on that at the next meeting if you so desire.

Alderman Lopez responded thank you. I have a question for Ms. Wickens. When you send this to the City Solicitor...I think I asked this question before and I don't see it here but I asked for the date we send this. On some of them we have the date.

Ms. Wickens replied I think I have the date on all of them.

Alderman Lopez responded yes I see it now.

Chairman Shea stated one of the concerns I have is we do raise the same questions almost every meeting. Could you help us out Committee wise by using whatever expertise is in your mind or the mind of people working in the Finance Office in terms of how there might be some way of broaching the problems that we encounter in terms of communication or collection or things of that nature? Could you try to do that because obviously you are sort of like involved with all of these different situations and you come before us and you do what you can do but there may be some way that you might be able to think about or say look maybe if we use this approach or maybe if this were done it might be more advantageous for the City and obviously the Committee would look at that option. Is that possible?

Ms. Wickens replied sure. One of the big things that Alderman Thibault brings up just about every Committee meeting is is there a way that the system can have one vendor that you can just look up and see what they owe the City and the good news is that HTE has that coming in an updated release that is going to be called

Common Vendor where they will be able to go in, look at one person and see that they owe the Fire Department for an alarm fee or do they owe for a dog license or whatever. We will be able to do that and I think that will be helpful but it is only as helpful as you can get people to use the system. They really need to go in and take a look. I try very hard to always document everything that I do in the system on any customer so that if someone just says I wonder about this person they go in and look and they will see my notes and see if they have somebody in collection for any of the departments. I also send copies of our so-called bad customers out to all of the departments and say hey if you see any of these people can you help these other departments out because they are trying to collect money. The City Clerk is really good about that. They take a look at these reports and they have collected a lot of money for like Highway on their drop-off fees. Collecting up front, that is a big thing. If someone owes a lot of money or even these little reports of \$3 each, if somebody owes on three of them you know what, they are not going to get a copy of an accident report. Pay your bill. We have to have them start doing these things. I think that it is getting better though. When we jump to Item 6 and you see my write-off list for the quarter, it was consistently \$20,000 or \$30,000 and it is not anymore. It is down to like \$3,500. I think people are really starting to work hard to collect the money but they have to start using what they have available to them, especially the system.

Alderman Thibault stated we are getting close to what I have been talking about for a long time but how hard would it be to put every vendor that comes to do anything for the City on that program that you say is coming now.

Ms. Wickens replied it will automatically be done. It is going to link everybody.

Alderman Thibault asked so we can track it.

Ms. Wickens answered yes that is coming.

Alderman Thibault stated so if they ever apply for another license we can grab them then.

Ms. Wickens replied yes.

Chairman Shea called for a vote on the motion to accept the various financial reports. There being none opposed, the motion carried.

Chairman Shea addressed Item 6 of the agenda:

Communication from Sharon Wickens, Financial Analyst II, seeking authorization to write-off 1st quarter FY2003 list for Accounts Receivable.

On motion of Alderman Guinta, duly seconded by Alderman Lopez, it was voted to accept the 1st quarter FY2003 write-off list for Accounts Receivable.

TABLED ITEM

Communication from Kevin Buckley, Internal Audit Manager, submitting the Internal Audit Report relative to the Traffic Department (Canal Street and Victory Garages).

On motion of Alderman Thibault, duly seconded by Alderman Smith, it was voted to remove the item from the table.

Mr. Buckley stated I will tell you where I am on this. This is the parking garage at Canal Street and Victory Street. I got a letter from them saying that they recalculated back three years and they would like to issue us a check for \$8,576. My recalculation came out substantially higher than that so I sent them all of my calculations and now they have sent me back some more information on how they came up with their calculation and I have to verify all of those numbers and see if I agree with them or not. I just got this today so that is where we stand right now on this.

Alderman Thibault asked so you are asking for time to review this and make sure you feel comfortable with what they are offering.

Mr. Buckley answered yes. At the moment, I am questioning what they are offering. I still think it should be higher.

Alderman Guinta asked what is the figure that you are looking at.

Mr. Buckley answered I am looking at closer to \$15,000 or \$20,000.

On motion of Alderman Lopez, duly seconded by Alderman Guinta, it was voted to put the item back on the table.

NEW BUSINESS

Alderman Lopez stated I would like the Assessor to explain the sheet he gave us.

Mr. Tellier stated what the sheet is in front of us is an HTE report. At the very bottom where it shows the totals for tax status, these are all taxable parcels and these codes that run down the left side are commercial building, commercial land, residential building, residential land, industrial and so forth. These are all our

taxable parcels. The total at the bottom for today...it is still a little fluid but we are reporting that we will meet the higher of the two numbers that we reported in July. My understanding in speaking with Finance is when they use a number they use the lower of the two to be conservative. We are relatively certain at this point that we are going to meet the \$5.130 and it may even exceed that. \$10 million is \$.5 on the rate so it would be \$.25 cents but it is still a better number than the lowest conservative. We expect to close the system by the end of the month so that the bills will be out the first of November and due the first week in December as is usually the case.

Alderman Lopez stated this number that you are giving us now today includes all of the adjustments up until April 1 is that correct.

Mr. Tellier replied that is correct. We still have some housekeeping that we are doing as we speak but we will have all of that completed in a timely fashion for the bills.

Alderman Lopez asked how does this number affect or would it affect the abatements that are going to the Board of Tax and Land Appeals.

Mr. Tellier replied once the bill is set, those that have not been adjusted or settled and those cases that are still outstanding would ensue a second year. In other words if there is a reduction in the value there is the tax abatement from Tax Year 2001 and there would be a tax abatement or credit, depending on the timing, for 2002.

Alderman Lopez asked so if I am going to the Board of Tax and Land Appeals for an abatement and let's say they give me an abatement, the revaluation company did our revalues and they have to defend that number. Is that the way I understand it or do you have to defend it?

Mr. Tellier answered they have to defend it unless they are given additional information that substantiates a lower value. For example, if a company doesn't submit their income and expense forms and they use market data and then they find out there is a problem with the building or they have lower incomes than comparable buildings...let's say they have a problem and they can demonstrate that their income is affected by that then they should receive some adjustment.

Alderman Lopez asked can the revaluation company make an adjustment and cancel the individual from going to the Board of Tax and Land Appeals.

Mr. Tellier answered they don't have the authority at this point. It is still live with the Board of Assessors. They would make a recommendation to the Board based

on whatever circumstances arise and they could arrive at a settlement that would preclude them from going to the Board of Tax and Land Appeals or Superior Court but the abatement is still due, an abatement in the form of a credit or a refund.

Alderman Lopez asked if it goes into the second year though and the individual gets an abatement and in looking at some of the regulations that individual gets some interested on that money if he gets an abatement if it is not settled though.

Mr. Tellier answered that is correct. It is the statutory 6%.

Alderman Lopez stated I am trying to figure out how that 6% would affect us going in.

Mr. Tellier replied they are all different. It depends on the date that the case is settled, how many days they have accrued interest, whether it is one or two years...each case will be unique, however, those cases that we have not had an opportunity to settle or where we are digging in and making every effort to defend, once it goes into another tax year then if they get a refund or if the Board grants them an abatement then it would be two years of taxes and not just one on that adjustment.

Alderman Thibault asked if somebody goes for a tax abatement and it is done, let's say after the tax rate is set this year, they have to pay what their taxes are this year right.

Mr. Tellier replied that is correct.

Alderman Thibault stated and if they do get an abatement then next year we give them a credit.

Mr. Tellier responded if they paid the bill they would be granted a refund in the amount of the difference. Right now the abatements we have are for tax year 2001. We are getting to the close of tax year 2002. We have really gone through most of the abatements. There are still a lot of cases that we are digging in to defend because we don't feel that their case has a great deal of merit but you never know when you go to the Board of Tax and Land Appeals or Superior Court.

Alderman Thibault stated let's assume that somebody paid \$5,000 this year and we find out that next year their abatement has been okayed. The difference is where the 6% would come in, right? In other words if it is an \$800 difference or a \$1,000 difference it would be 6% of that \$1,000 not the whole tax bill.

Mr. Tellier replied that is correct.

Chairman Shea asked but doesn't the overlay take care of that.

Mr. Tellier answered that is correct.

Alderman Lopez stated Alderman Shea you brought up a very good point on the overlay account, if we have a lot of abatements going to the Board of Tax and Land Appeals and we have a lot of cases that are won, we would have more money in the overlay account in 2003 and 2004 to take care of them. How much do you have right now in the abatement account?

Mr. Tellier answered approximately \$1.4 million.

Alderman Lopez stated so my theory is in 2004 if they keep winning you could need more money in the abatement account of offset this revaluation.

Mr. Tellier replied that is a possibility but the caveat on that is I would suspect that a great deal of these cases are going to be attended to. We have been working hard to get the tax bills out on a timely fashion so we are going to attend to the remaining balance of a great deal of these cases so I hope they don't go a great deal of time. That did occur once before during the 1991 revaluation where there were several hundred cases and it took three or four years to settle. In fact, when I came on board in 1994, we had assigned to us 88 cases that were still left from the 1991 revaluation. I don't expect that to be the case this time.

Alderman Lopez asked the Board of Tax and Land Appeals has a certain period of time to hear these cases and then they shut it off so is it possible that if you, let's give an example, you have 271 cases at the Board of Tax and Land Appeals. Is it possible that during the budget season if you still have 271 cases and you still have abatements that you would need more than \$1.4 million in the overlay account? If that were the case right now today would you need more than \$1.4 million?

Mr. Tellier replied I would have to look at the remaining cases. I really can't answer that right now.

Alderman Thibault asked, Steve, what has been your average as far as the ones who have appealed to the Board of Tax and Land Appeals. What is the average amount of cases that have come back?

Mr. Tellier answered for the most part, most of them have been settled amicably between the City and the appellant and more often than not it is a favorable

assessment really on the City side if you look at what the City has defended versus what the appellant was looking for. To give you an average, I don't know.

Alderman Thibault asked do you come out even on many of them or do you come out ahead.

Mr. Tellier answered I would absolutely say that the City has come out ahead because in communities that are very litigious and always go to court or always go to the Board of Tax and Land Appeals or Superior Court, and quite often they are very aggressive in holding on to high assessments they are not very favorable. Superior Courts are very often known for cutting it right down the middle or less. With the Board of Tax and Land Appeals, you never know depending on the day. I think the City...if we can come to a reasonable settlement with the City doing the work it is usually favorable to the City.

Chairman Shea stated since Robin is here now we will revisit Item 4.

Alderman Lopez stated I think Robin knows what I am going to ask her in reference to Diane Prew's office and the money there. What is she doing to spend it?

Mr. Descoteaux stated it has to do with the land mapping system and I spoke to her right after I spoke to you about it and they were finalizing the contract. I told her that she needed to get the PO in so I think it is going to be in your October...the income was affected in October.

Alderman Lopez replied that is the third time that she said she would finalize it.

Ms. Descoteaux responded I know but she promised me there was a contract.

Alderman Lopez stated that was the only one I was concerned about because there is a lot of money in that account.

Chairman Shea asked, Robin, is there anything you want to bring up to the Committee that might be helpful.

Ms. Descoteaux stated I think we have been working to clean up a lot of these older projects and that is a good thing. I would like to get rid of more.

Alderman Lopez stated sometimes, Robin, we go through this report as lay people and if there is some account here that you want to bring to our attention or if something is not moving too fast, that is okay. You can educate us and maybe we will have the right question or right answer to dig in a little bit further because

sometimes looking at this we overlook some things. If there is anything you want to bring up to us, you can.

Ms. Descoteaux replied currently I have been working with the departments to close the older projects to see why they are still open. I think what I will do probably for the next one is bring up all of the older projects to find out why they are still open and why we can't move the money. If it is CDBG money, why they are not using it.

Alderman Lopez asked do you get a list from them or a written document saying why.

Ms. Descoteaux answered yes that is what I have been working on. For instance, I have one old project from prior HTE that is still open because I am looking for the cash money and Planning says we have already received the money so I am looking into that one. There are just little scenarios like that.

Alderman Lopez asked are you taking verbal communication or written communication.

Ms. Descoteaux answered I generally use e-mail.

On motion of Alderman Smith, duly seconded by Alderman Thibault, it was voted to accept the CIP monthly financial statements for the three months ended September 30, 2002.

There being no further business, on motion of Alderman Smith, duly seconded by Alderman Thibault, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee